comprehensive amendments in the Regional Rural Banks (RRBs) Act, 1976. The recommendations are being examined in consultation with Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), State Governments and sponsor banks. A select group of Chairman and Managing Directors (CMDs) of sponsor banks has also made recommendations for revamping of RRBs. Several options for restructuring of RRBs have been suggested. Each of above options has its merits and demerits and none can be applied in isolation because of the prevailing socio-economic conditions and region specific problems. Professor Vyas Committee appointed by RBI has also examined restructuring of RRBs and submitted its report on 30th June, 2004. Since any steps to restructure the RRBs will involve extensive amendment in RRBs' Act, the merits and demerits of the suggestions made by the various Committees will be examined in detail for taking a decision. Discussion in this regard had so far remained inconclusive.

Closure of banks in Andhra Pradesh

725. SHRI S. M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has given permission to commercial banks to close a number of branches in Andhra Pradesh in 2002-03 and 2003-04;

(b) if so, the details in this regard;

(c) whether it is a fact that RBI encouraged banks to curtail their operations in rural areas; and

(d) if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) RBI has reported that as per the extant policy, Banks are allowed to close their loss-making rural branches at centres having two or more branches of commercial banks functioning there, after mutual consultation. Commercial banks closed, merged or converted 11 loss-making and non-viable branches in 2002-03 and 8 in 2003-04 in Andhra Pradesh.

(c) No, Sir.

(d) Does not arise.

Government's holding in banks

726. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to bring down their holding in Public Sector Banks and Financial Institutions;

(b) if so, the details thereof; and

(c) by when a Bill in this regard would be introduced?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Do not arise.

Sovereign Bond for agricultrue

727. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to float Sovereign Bond to raise funds for strengthening agriculture sector; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise.

Pulling out of FIIs

728. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of FIIs are pulling out their investments in India;

(b) if so, what are the details in this regard along with figures for the last three years; and